

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

\_\_\_\_\_  
SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

\_\_\_\_\_  
REX VENTURE GROUP, LLC  
d/b/a ZEEKREWARDS.COM, and PAUL  
BURKS,

Defendants,  
\_\_\_\_\_

**FILED**  
STATESVILLE, N.C.

OCT 17 2013

U.S. District Court  
Western District of N.C.

No. 3:12-CV-519

**ORDER APPROVING PROCEDURES  
FOR PUBLIC AUCTION OF REAL PROPERTY**

This Order addresses the Receiver's Motion to Approve the Sale of Certain Real Property. The Receiver proposes to sell, by public auction, numerous personal property items of the Receivership Defendant and the following real property:

1. An office building and attached laundromat at 801 and 803 West Center Street, Lexington, Davidson County, NC; Tax PIN: 6725-02-59-4801; Deed Book 2041, Page 2402 (the "Main Office").
2. A warehouse at 4095 Old Salisbury Road, Lexington, Davidson County, NC; Tax PIN: 6714-01-05-4777; Deed Book 2055, Page 1992 (the "Warehouse").

The Receiver asks the Court to (i) approve the proposed public auction to be conducted by Iron Horse Auction Company, Inc. ("Iron Horse"), (ii) authorize the sale and transfer of title to the successful bidder(s), (iii) approve the notice procedures outlined below, and (iv) approve the notice attached hereto as Ex. A. The Court hereby GRANTS the Receiver's Motion in all respects.

IT IS THEREFORE ORDERED THAT the Receiver's auction, notice, and notice procedures are APPROVED:

1. Iron Horse will conduct the auction within 60 days of the issuance of this Order.  
The auction will be conducted at the Warehouse, and will be broadcast live in the manner described below. Due to the volume of personal property items, it may be necessary for Iron Horse to conduct the auction over a two-day period. If an extra day is needed, it will be fully advertised and identified as to which items are auctioned each day.
2. All personal property from the leased corporate apartments and storage units, and the smaller, non-furniture items from the Main Office have been relocated to the Warehouse and will be sold from that location. The larger Main Office furniture pieces will remain at the Main Office and will be sold via power point presentation from the Warehouse.
3. At least Thirty days prior to auction, the Receiver and Iron Horse will market and advertise the auction of real and personal property by notice (See "Proposed Notice," attached as Ex. \_\_) using:
  - a. A direct-mailing which advertises the auction and includes the Notice and a sales brochure created by Iron Horse, via U.S. Postal Service First Class Mail, to certain buyers of the types of property to be sold at the auction. Those parties will be largely drawn from a database maintained by Iron Horse (an estimated 2,500 potential buyers);
  - b. Preparation and distribution of a press release that includes the Proposed Notice to local and regional media outlets, including the *Lexington*

*Dispatch, Winston-Salem Journal, Charlotte Observer, Greensboro News & Record, and Raleigh News & Observer.*


- c. Distribution of the same press release and Proposed Notice to a national newswire service;
  - d. Appropriate signage for the auction event and site;
  - e. Display ads containing the Proposed Notice in local newspapers, including the *Lexington Dispatch, Winston-Salem Journal, Charlotte Observer, Greensboro News & Record, and Raleigh News & Observer* listing Internet websites that will host catalogs of the assets to be sold at auction; and
  - f. The Receivership website, where the Proposed Notice and Internet websites that will host catalogs of the assets to be sold will be posted.
- 4. Iron Horse will broadcast the auction live over the Internet via a third-party Internet bidding platform in order to obtain bidders' interest from outside the immediate geographical area surrounding Lexington.
  - 5. Iron Horse will also accept absentee bids from pre-approved bidders in certain circumstances.
  - 6. Each property will be sold "AS IS" WHERE IS" to the highest bidder.
  - 7. Consistent with 28 U.S.C. § 2001, all of the auctioned property will be sold free and clear of all liens, claim and encumbrances.
  - 8. Bids are firm offers and binding contractual agreements when submitted.

9. A 10 percent "buyer's premium" will be charged to the buyers of the real and personal property over and above their last and highest auction bid, which will be the property of Iron Horse.
10. Any bidder who buys over the Internet will be charged a buyer's premium of 15 percent to cover the additional cost of the Internet broadcast, currency transfer, and platform expense.
11. The successful bidder for the parcels of real property will be required to submit a deposit of 20 percent of the final contract purchase price within 24 hours of the auction either by cashier's check, company or personal check accompanied by a bank letter of guarantee, or electronic funds transfer, with the balance due within 30 days after the approval by the Receiver. The party who submits the second highest bid shall agree that their bid will be irrevocable until the earlier of: (a) 60 days after the auction; and (b) closing of the sale to the successful bidder.
12. Iron Horse will provide its own security for the event, but a United States Marshal shall also be present at the auction in the event that there are any challenges to the Receiver's authority to auction the real and personal property.
13. Iron Horse will charge a 15 percent commission to the Receivership Estate on the sale of the personal property, but will not charge a commission on the real property.
14. The Receiver, in conjunction with Iron Horse, will establish more detailed auction procedures, such as bidder qualifications, that are consistent with the terms outlined here. The procedures and qualifications will be published to prospective bidders prior to commencement of the auction.

It is further ORDERED that the Receiver may, in his sole discretion and without further authorization from the Court, sell the real and personal property of the Receivership Defendant in accordance with the terms of this Order without further need for Court order.

It is further ORDERED that the Receiver may pay Iron Horse's fees in connection with the marketing and sales of the real and personal property of the Receivership Defendant pursuant to the fee structure set forth above without further need for Court order.

Signed this 17th day of oct 2013.

  
Graham C. Mullen  
United States District Court Judge